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## Background Paper 4

### THE TARGETING OF GOVERNMENT PROGRAMS IN CHILE: A QUANTITATIVE AND QUALITATIVE ASSESSMENT

Carine Clert and Quentin Wodon<sup>93</sup>

#### Introduction

The government of Chile has been using for many years a system for the targeting of many of its income transfers and other social programs. The system is based on the *ficha* CAS, a two page form that households must fill if they wish to apply for benefits. Each household is attributed a score on the basis of the *ficha* CAS, and this score is used to determine eligibility not only for income transfers (e.g., pension assistance and family allowances), but also for water subsidies, access to social housing, and childcare centers. At the local level, municipalities also use the form for the targeting of their own programs and safety nets. Almost a third of all Chilean households have been filling the form. Taken as whole, the programs which are targeted using the *ficha* CAS play a major role not only in the alleviation of poverty, but also in its prevention by enabling vulnerable households to receive or not state and municipal support.

This paper provides an assessment of the *ficha* CAS system using both quantitative and qualitative methods of investigation. After describing the *ficha* CAS system and the main income transfers and other programs which are targeted using the system, the paper uses data from the nationally representative 1998 CASEN survey to provide quantitative measures of performance for each program. Following Wodon and Yitzhaki (2000), the quantitative performance measures are based on a decomposition of the Gini income elasticity of the various programs into a targeting component which is based on who benefits from the programs and who does not, and an allocation component which captures the impact of the variability in program benefits among participants. Overall, the programs appear to be well targeted.

The good quantitative performance of the program does not mean that the *ficha* CAS is without any limitations. In order to look in some detail at these limitations, the paper relies on a study of the experience, perceptions and recommendations of poor citizens on the one hand and practitioners using the *ficha* CAS at the local level on the other hand (Clert, 2000a, 2000b). Evidence derives from a stratified survey of 88 randomly sampled households in the municipality of Huechuraba, a comparatively poor area in the Greater Santiago area and from qualitative interviews with a sub-sample of households. Evidence also derives from focus-group discussions and semi-structured interviews with professionals located in that municipality and from interviews with central government officials. The fieldwork was carried out between December 1997 and June 1998. The triangulation of household-level interviews and focus group discussions with municipal staff in Huechuraba revealed that poor households often lack information about the government programs and how to apply for their benefits. The qualitative work also revealed

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potential deficiencies and biases in the eligibility criteria and associated targeting methods based on the *ficha* CAS. While the targeting system as a whole is sound, recommendations can be made for improving its effectiveness and its fairness.

The paper is divided in four sections. Section One introduces the paper by presenting some background information on the *ficha* CAS and the targeted safety nets and other social programs reviewed in this paper. Section Two provides evidence for a quantitative assessment of the targeting of some of these social entitlements using the CASEN household survey data while Sections Three sheds light on the a more qualitative assessment of targeting methods, based on the experience and views of the poor themselves and of social practitioners. Conclusions and policy implications are provided in the last section.

## Background

This section first sheds light on the official means-testing instrument used by the Chilean government, the *ficha* CAS or CAS form. It then puts the forthcoming findings of the paper in context by presenting the key safety nets and programs reviewed in this paper and their importance in the social protection of the poor.

### The *Ficha* CAS

Introduced during the military regime (1973-1989) and modified by the post-1990 democratic governments, the *ficha* CAS<sup>94</sup> is a two page form which is used for determining the eligibility of households to a number of Government programs including not only monetary transfers (*Subsidios Monetarios*), but also access to low income housing and childcare centres.<sup>95</sup> A reproduction of the form is provided in Appendix Two. The form provides detailed information on housing conditions of the dwelling unit (e.g., material used for the construction of the housing unit, number and type of rooms, access to water, latrine and sanitary services, access to electricity, etc.); on members of the dwelling unit (their occupation, educational level, date of birth, and income. Additional information is provided on material assets held by the household (housing status, television, heating equipment, and refrigerator). Points are allocated to households on the basis of the information provided, with the number of points fluctuating between 380 and 770 points. Households with a total of inferior to 500 points are considered as extremely poor and those with a total number of between 500 and 540 points are considered as poor. The Ministry of Planning MIDEPLAN is responsible for the design of the *ficha* CAS. The recruitment of the employees administrating the form is done at the discretion of the municipality, but training must be provided by the Ministry. Municipalities usually separate the activities of data collection and data entry from those of needs assessment. Data collection and entry tend to be done by a department of social information within the municipality, while the control of the needs assessment is usually done by social workers and *técnico-sociales* (welfare assistants).

The national income transfer programs which are targeted using the CAS scoring system apply the formula in a strict manner in order for determining eligibility. The score obtained by a household automatically and exclusively prevails, so that eligibility depends only on the number of points obtained. The *ficha* is also used for targeting locally financed safety nets, but in this

<sup>94</sup> Ficha de Estratificación Social.

<sup>95</sup> At present the official name of the form is the *ficha* CAS-II.

case social workers and other professionals can often give some weight to other eligibility criteria such as the presence of a chronic illness, the civil status of household members, and their actual financial resources at the time of request (the *ficha* is completed every three years, and there may be differences between the status of households when they apply for benefits, as compared to their status when they filled the form). For housing programs as well, differences can be observed in the use of the *ficha* at various levels of government. Professionals dealing with central government programs (*viviendas básicas* and *vivienda progresiva*) must follow the method of calculation defined by the Ministry of Housing (SERVIU), while professionals involved in municipal initiatives have some discretionary power.

One of the advantages of using the *ficha* for many different programs is that this reduces the cost of means-testing. The cost of a CAS interview is about US\$8.65 per household. The Ministry of Planning estimates that 30 percent of Chilean households undergo interviews, which seems reasonable given that the target group for the subsidy programs is the poorest 20 percent. The CAS system is used as a targeting instrument for utility subsidies, income transfers, social housing subsidy, and pension subsidies among other programs. Because the fixed administrative costs of targeting are spread across several programs, the CAS is very cost-effective. In 1996, administrative costs represented a mere 1.2 percent of the benefits distributed using the CAS system. If the administrative costs of the CAS system were to be borne by the water subsidies alone, for example, they would represent 17.8 percent of the value of the subsidies.

### **The Targeted Programs: Their Role in Fostering Security and Alleviating Poverty**

Many national and local Government programs rely on the CAS system for their targeting. Locally, *Comunas* generate from their own budgets other safety net programs which vary in their amount and eligibility criteria, but these cannot be evaluated with the CASEN. The national programs implemented with the *ficha* CAS and reviewed in this paper include means-tested pensions, family allowances, water subsidies, social housing, and child care. As developed below, most of these social entitlements play a major potential role in decreasing vulnerability and alleviating poverty, which makes the issue of targeting a crucial one. Full descriptions of the programs is provided in Appendix One.

- *Pensions PASIS (Pensión de Asistencia)*: Means-tested state pensions are provided to elderly and/or disabled individuals through PASIS. To be eligible, an elderly individual needed to have a total income below half of the minimum pension allowance, which was CP\$ 23,415 per month in 1998.<sup>96</sup> The eligibility threshold for the disabled is the amount of the minimum pension allowance. While the income transfers provided through PASIS are low in comparison with the minimum wage, household interviews in the *Comuna* of Huechuraba suggest that the transfers can be significant in the eyes of those who do not have any other source of income or family support to rely upon. In addition, those who receive PASIS pensions are automatically eligible for free access to public health services through the health gratuity card. By securing an entitlement to health, PASIS thus provides low income elderly and invalid or disabled people with a key mechanism of long term social protection.
- *Family allowances SUF (Subsidio Unico Familiar)*: Family allowances are important because they help in coping with the extra expenses due to the birth of children, as well as with the possibility of a reduction in earnings due to the fact that pregnant women and women who

<sup>96</sup> In 2001, the PASIS is now worth 35104 Chilean pesos.

have delivered may have to stop working for a while. The loss in earnings is particularly likely for women involved in precarious jobs which do not provide them with maternal and other family benefits. The amount per child above three years of age was CP\$2,500 per month in 1998, at the time the CASEN was implemented. The amount per child below three years of age was CP\$2,800. Maternal benefits were also \$2,800 per month for a period of ten months, with eligibility as of the fifth month of pregnancy.<sup>97</sup>

- *Water subsidies SAP (Subsidio Agua Potable)*: The water subsidy provides an allowance for the cost of consumption of up to 15 cubic meters per month. As noted by Gomez-Lobo and Contreras (2000; see also Estache, Foster, and Wodon, forthcoming, for a review), the subsidy was introduced in 1990 to reduce the impact of rising prices after the reform of the water sector. The initial take-up of the program (i.e., the percentage of eligible households participating in the program) was low in the first year, at 5 percent only, because the eligibility threshold and the value of the subsidy were too low to make it worthwhile for households to participate. To increase take-up, water companies were given the opportunity to propose customers as potential subsidy recipients, which was in their interest in order to increase payment rates. The subsidy covers from 20 percent to 85 percent of the bill for the first 15 cubic meters of monthly consumption. MIDEPLAN uses regional data on water consumption and tariffs, as well as socioeconomic conditions, to determine the funds made available to each region. Within each region, subsidies are allocated to municipalities who then determine household eligibility using the *ficha* CAS. As for other programs targeted with the *ficha* CAS, household eligibility is re-assessed every three years, and the subsidy can be withdrawn by utilities if the household has more than three months of arrears in paying its share of the bill.
- *Social housing*: The programs of *vivienda básica* and *vivienda progresiva (etapas I–II)* provide subsidies for the construction of new housing units, or the improvement of existing units. The amount of the subsidy is determined in UFs, which are monetary units.<sup>98</sup> Apart from eligibility criteria according to the *ficha* CAS, the households must contribute to the construction costs and thereby provide evidence of savings when applying. The program is important not only to satisfy basic needs, but also because the lack of safe and secure shelter has been shown to reduce the ability of women to work because of their reluctance to leave their children at home (risks of accidents in sub-standard housing, such as electrical shocks). Good housing conditions are also essential for individuals involved in home-based wage employment or micro-enterprise, and for reducing crowding and the associated social risks of domestic violence.
- *Child care*: The childcare programs of the JUNJI and *Fundación INTEGRA* are also targeted using the *ficha* CAS. The programs provide care for children whose mothers are working. Since vulnerable low-income women are more likely to be affected than men by exclusion from the labor market and by poor quality of employment, this type of program for affordable or even free childcare is important from a gender point of view and for building work experience and incentives among poor women.

<sup>97</sup> These figures refer to the period during which the micro-study in Huechuraba (See Section III) was implemented. These amounts have changed since. For instance, in July 2001, the SUF is now worth 3452.

<sup>98</sup> In 1998, one UF was worth approximately CP\$460.

## A Quantitative Evaluation

This section provides a quantitative assessment of the targeting performance of the social programs which are implemented nationally and for which we have information in the nationally representative 1998 CASEN survey (*Caracterización Socioeconómica Nacional*) implemented by the Ministry of Planning MIDEPLAN.

There are various ways to evaluate quantitatively the targeting performance of the programs whose eligibility is based on the *ficha* CAS. The most common measures of targeting performance used in the literature are based on the so-called errors of inclusion and exclusion. An error of inclusion is observed when a household which is not part of the program's target population receives the program's benefits. An error of exclusion is observed when a household which is part of the program's target population does not receive the program's benefits. This approach for measuring targeting performance has been used among others by Gomez-Lobo and Contreras (2000) for Chile's water subsidies. In this paper however, we use an alternative (and arguably better) indicator of performance which takes into account not only who benefits from social programs and who does not, but also to what extent various households benefits (the program benefits may vary from one household to another). The method is explained in Box 5.1, and it relies on three key parameters for understanding the impact of various programs on social welfare:

- *Gini income elasticity (GIE)*: The overall impact on social welfare of changing at the margin the budget allocated by the government to a given program is a function of the program's Gini income elasticity (GIE hereafter). If the GIE is equal to one, a marginal increase in the benefits will not affect the Gini coefficient in after-tax after-benefit per capita income, and thereby the effect on social welfare can be considered as neutral (no change). If the GIE is less (greater) than one, then an increase in program benefits will decrease (increase) the Gini of income, and thereby increase (decrease) social welfare. The smaller the GIE, the larger the redistributive impact of the program and the gains in social welfare. Importantly, since the GIE is estimated for a dollar spent on the program, we can compare programs which are of different scale in terms of outlays.

The GIE can be decomposed into the product of a targeting elasticity and an allocation elasticity.

- *Targeting elasticity*: The targeting elasticity measures what would be the impact of a program on social welfare if all those who benefit from the program were receiving exactly the same benefit. In other words, the targeting elasticity provides the impact of pure targeting (who gets the program and who does not) on social welfare. Lower and upper bounds can be provided for the targeting elasticity, and these bounds depend on the share of the population which participates in the program. The higher the share of participants in the population, the closer the bounds. The intuition beyond this result is that it is easier to target a program to the very poor when the share of the participants among the population is low. The practical relevance of the bounds is that they enable an analyst to compare the targeting performance of programs of different sizes.
- *Allocation elasticity*: The allocation elasticity measures the impact of social welfare of the differences in the benefits received by various program participants. Lower and upper bounds can also be provided for the allocation elasticity. The combination of the information provided by the targeting and allocation elasticities enables the analyst to assess whether the

good (bad) performance of a given program is due to good (bad) targeting or to a good (bad) allocation of benefits among participants.

In the 1998 CASEN, it is feasible to estimate both the targeting and allocation elasticities for the income transfers provided by PASIS, SUF, and the water subsidies. Additionally and for comparison purposes, we also compute the targeting and allocation elasticities for another type of means-tested family allowances which is different from SUF and does not rely on the *ficha* CAS (according to the CASEN questionnaire, these allowances provide CP\$3,025 for households with gross income below CP\$91,800, CP\$2,943 for households with gross income between CP\$91,800 and CP\$186,747, and CP\$1,000 for households with gross income between CP\$186,747 and CP\$365,399). For the housing and child care programs, the information available in the CASEN enables us to compute the targeting elasticity only because we do not have the amounts allocated (or the cash value of the in-kind benefits), but the targeting elasticity should be fairly close to the overall GIE because there are relatively few differences in benefits allocation between households in these programs (the amounts for the housing allocations are fixed, and the child care benefits only depend on the number of young children that a working mother may have).

The results of the estimation are provided in Table 1. To understand how Table 1 works, let's consider the case of the pension assistance provided under PASIS. The table indicates that the GIE for PASIS is  $-0.58$ , which is fairly low and hence highly redistributive (any elasticity below one indicates that the corresponding program is redistributive; a negative elasticity implies a large redistributive impact). The GIE for PASIS is equal to the product of the targeting elasticity ( $-0.56$ ) and the allocation elasticity ( $1.05$ ). The fact that the allocation elasticity is close to one suggests that there are few differences in pension benefits among PASIS participants. In other words, the redistributive impact of the program comes from its good targeting based on the *ficha* CAS. As for the participation rate in the program of 6.1 percent, it determines (together with the value of the overall Gini for per capita income of about 0.57) the lower and upper bounds for the targeting and allocation elasticities. For comparison purposes, other sources of pension income have been included in Table 1 even though these are not targeted through the *ficha* CAS and are provided in many cases by private operators. Clearly, and as expected, the pension assistance provided through PASIS is much more redistributive than other pensions.

More generally, two main conclusions can be drawn from Table 1:

- *High overall redistributive impact, but differences between the various programs:* All the programs targeted according to the *ficha* CAS have a large redistributive impact per peso spent. This is evidenced by the low values of the GIE elasticities for the income transfers and water subsidies, and by the low values of the targeting elasticities for the housing and child care programs (for these programs, we cannot compute an allocation elasticity, so that the GIE remains unknown). Yet, some programs are better targeted than others. Among income and other transfers, the SUF family allowances have the best performance, while water subsidies have a somewhat lower performance. Among the other social programs, the child care programs tend to be slightly better targeted than the housing programs, perhaps because of the savings requirements required for participation in the later.
- *Good targeting, with few differences in allocation:* The redistributive impact of the programs is due to their good targeting, which is based on the *ficha* CAS. The fact that the GIE tends to be close to the targeting elasticity (because the allocation elasticities are close to one) suggests few differences in the amount of benefits received from the various programs by different

households. Only in the case of water do we have an allocation elasticity well below one, probably because those who consume more water and thereby receive more subsidies tend to be higher up in the distribution of income.

**Table 1: Gini Income Elasticity of Social Programs Targeted According to the *Ficha CAS***

	Income transfer programs and water subsidies				
	Non-PASIS pensions (not targeted)	Pension assistance PASIS	Family allowances SUF	Water subsidies	
Gini income elasticity (GIE)	0.91	-0.58	-1.03	-0.35	
Program participation rate p	15.7%	6.1%	11.5%	6.4%	
Mean allocation received	7634.04	503.16	155.68	47.61	
Overall Gini for per capita income $G_y$	0.57	0.57	0.57	0.57	
Targeting elasticity					
Lower bound	-1.49	-1.66	-1.56	-1.65	
Actual value	0.47	-0.56	-0.95	-0.43	
Upper bound	1.49	1.66	1.56	1.65	
Allocation elasticity					
Lower bound	-1.19	-1.06	-1.13	-1.07	
Actual value	1.91	1.05	1.09	0.80	
Upper bound	1.19	1.06	1.13	1.07	
	Other targeted programs				
	Housing Viv. Basica	Housing Viv. Prog I	Housing Viv. Prog II	Child care JUNJI	Child care INTEGRA
Gini income elasticity	NA	NA	NA	NA	NA
Program participation rate p	5.8%	1.1%	0.2%	1.7%	1.3%
Overall Gini for per capita income $G_y$	0.57	0.57	0.57	0.57	0.57
Targeting elasticity					
Lower bound	-1.66	-1.74	-1.76	-1.73	-1.74
Actual value at individual (per capita) level	-0.41	-0.68	-0.59	-0.50	-0.71
Actual value at household level	-0.32	-0.54	-0.48	-0.44	-0.65
Upper bound	1.66	1.74	1.76	1.73	1.74

Source: Authors' estimation using 1998 CASEN survey.



### BOX 1: METHODOLOGY FOR THE QUANTITATIVE EVALUATION

To assess the impact on welfare of government programs per dollar spent in each program, we Wodon and Yitzhaki (2000). Denote by  $\bar{y}$  the mean income in the population and by  $G$  the Gini index of income inequality. A common welfare function used in the literature is  $W = \bar{y}(1-G)$ . The higher the mean income, the higher the level of social welfare, but the higher the inequality, the lower the aggregate level of welfare. This welfare function takes into account not only absolute, but also relative deprivation (people assess their own level of welfare in part by comparing themselves with others). Using the implicit distributional weights embodied in this welfare function, we can derive the marginal gains from additional investments in government programs. If  $\bar{x}$  denotes the mean benefit of a social program  $x$  across the whole population, and if  $\eta$  is the Gini income elasticity of that program (defined below), increasing at the margin the funds allocated to the program by multiplying the outlays by  $1 + \Delta$  for all program participants, with  $\Delta$  small, will result in a marginal social welfare gain equal to:

$$dW = (\bar{x} \Delta)(1 - \eta G) \quad (1)$$

Equation (1) makes it clear that considerations related to both growth (as represented by the mean marginal benefit  $\bar{x} \Delta$ ) and distribution (as represented by the Gini income elasticity  $\eta$  times the Gini index  $G$ ) must be taken into account in program evaluations. The Gini income elasticity  $\eta$  (hereafter GIE) measures the impact of an increase of one dollar, distributed as a constant percentage change in the benefits of the program, on income or consumption inequality. Denoting by  $x$  the household (per capita) benefit from the program, by  $y$  income, by  $F(y)$  the cumulative distribution of income, and by  $\bar{x}$  the mean benefits of the program over the entire population, the GIE is:

$$\eta = \frac{\text{cov}(x, F(y)) \bar{y}}{\text{cov}(y, F(y)) \bar{x}} \quad (2)$$

*If the elasticity equals one, a marginal increase in benefits will not affect the Gini coefficient in after-tax after-benefit income. If the elasticity is less (greater) than one, then an increase in benefits will decrease (increase) the Gini of income. The smaller the elasticity, the larger the redistributive impact of the program and the gains in welfare. Since the GIE is estimated for a dollar spent on the program, we can compare programs which are of different scale in terms of outlays. A decomposition of the GIE can be used to differentiate between two properties of a program that can affect its impact on welfare: targeting and the allocation mechanism among participants (internal progressivity). The decomposition enables the analyst to assess whether the (lack of) performance of social programs and policies is due to either the selection mechanism for participants or the allocation of benefits among program participants. To differentiate between targeting and internal progressivity, define  $z$  as the targeting instrument:*

$$z = \begin{cases} \bar{x}_p & \text{if } h \in P \\ 0 & \text{if } h \notin P \end{cases} \quad (3)$$

That is,  $z$  is equal to the mean benefit among participants for households who participate in the program and it is zero for households who do not participate (one could substitute the average benefit by an indicator which is equal to one without affecting the results.) The variable  $z$  is an indicator of targeting because it is only concerned with whom is affected by the program, rather than with the actual benefit received. Using this definition of  $z$ , we can rewrite the GIE as a product of two elasticities as follows:

$$\eta = \left( \frac{\text{cov}(z, F(y)) \bar{y}}{\text{cov}(y, F(y)) \bar{z}} \right) \left( \frac{\text{cov}(x, F(y)) \bar{z}}{\text{cov}(z, F(y)) \bar{x}} \right) = \eta_T \eta_A \quad (4)$$

## Box 1 (continued)

The first term is related to the targeting of the program (targeting effect). The second term is the progressivity among participants (allocation effect). The distributional impact of a program depends on the product of its targeting and allocation elasticities. Good targeting, for example, can be offset by a bad allocation mechanism among program beneficiaries. Equation (6) is useful to assess whether the (lack of) performance of a program is due to its targeting or to the allocation of benefits among beneficiaries. But one can go further by establishing bounds for the values of the targeting and allocation elasticities. Specifically, the minimum and maximum values of the targeting elasticity depend on the share the population participating in the program and the overall Gini. Denoting by  $p$  the share of the population participating in the program, and by  $G_y$  the overall Gini, it can be shown that :

$$-\frac{(1-p)}{G_y} \leq \eta_T \leq \frac{(1-p)}{G_y} \quad (5)$$

The lower bound increases with the proportion of the population reached by the program and the level of income inequality. The relationship between the lower bound and the share of program participants is straightforward. The more households the program reaches, the less effective targeting can be because each additional participating household makes it more difficult to focus resources on the poorest. If all households participate,  $p=1$  and the lower bound is zero. The fact that the targeting capacity declines with the overall level of inequality is perhaps more surprising, because one might expect that the higher the inequality, the higher the potential for redistribution through targeting. The intuitive explanation is that the higher the inequality, the further apart households are from each other, so that adding a small amount of resources to the program participants does not reduce inequality by a lot (remember that the elasticities capture the impact on inequality and social welfare on a per dollar basis). A similar reasoning applies for the intuition regarding the upper bound, and the two bounds are symmetric around zero.

Lower and upper bounds can also be provided for the allocation elasticity. As shown in the appendix, the minimum and maximum values of the allocation elasticity depend on the share the population participating in the program, but not on the overall Gini:

$$-\frac{1}{(1-p)} \leq \eta_A \leq \frac{1}{(1-p)} \quad (6)$$

As the share of the population participating in the program increases, the interval for the allocation elasticity increases as well, because a higher participation rate provides more opportunities for differentiation in the allocation of the benefits among participants of the program. It is important to note that the interpretation of what a good elasticity need not be the same for the targeting and allocation elasticities. In the case of the targeting elasticity, one would hope to obtain an elasticity below zero, which would indicate a good targeting performance. But if the targeting elasticity is below zero, one would hope to have an allocation elasticity above zero in order to keep the overall elasticity negative. At the reverse, if the targeting elasticity is positive, suggesting bad targeting, one would hope to have a negative allocation elasticity. It should also be emphasized that the interpretation of the upper and lower bounds for both elasticities changes depending on whether we are dealing with taxes or transfers. In the case of targeting for example, when comparing transfers, the lower bound is typically the best that can be achieved, while when dealing with taxes, it is the upper bound that one would like to reach. Note finally that equations (5) and (6) enable us in principle to compare the targeting and allocation effectiveness of programs with different participation rates, since the bounds depend on that participation rate. (The role played by the overall per capita income Gini in the bounds for the targeting elasticity is less important since the Gini is identical for all programs at any given point in time.)

## Qualitative Evaluation: An Actor-Oriented Approach

The quantitative evaluation provided in the previous suggests that the programs targeted according to the *ficha* CAS have a good redistributive impact. This does not mean, however, that there are no problems or challenges with the *ficha* CAS targeting or with the outreach of the various programs. In this section, in order to go beyond our quantitative results, we present findings from an exploratory study on poverty, access to government programs, and social exclusion in Chile conducted in 1998 by Clert (2000a, 2000b). Using an actor-oriented approach, the research used both quantitative and qualitative methods (see Box 2) to explore the priorities, experience and perceptions of three sets of actors concerned with poverty reduction: a) the government leadership; b) the residents of Huechuraba, a socially disadvantaged *Comuna* of Greater Santiago, and c) public agents involved at different levels of policy formulation and implementation. For the purposes of this paper, we focus on the views from households and social workers.

### BOX 2: METHODOLOGY FOR THE QUALITATIVE EVALUATION

Much of the research on social exclusion is done without consultation with those who experience social disadvantage and those who formulate and implement social policies. The qualitative evaluation of the *ficha* CAS presented here is part of a broader study on poverty and social policy in Chile carried out by Clert (2000b) using an actor-oriented methodology. The research was carried within a social exclusion framework which recognizes the multidimensionality of poverty (e.g., the connection between distributional and relational dimensions), the role of institutional factors in the generation of social disadvantage, and its time and spatial aspects. More specifically, the research explored the priorities, experience and perceptions of three sets of actors concerned with poverty reduction; a) the residents of Huechuraba, a socially disadvantaged district of Santiago through a micro study; b) local and central government staff concerned with poverty reduction at different levels of the state apparatus, through interviews and focus groups, and c) the government leadership, through a study of official policy documents and discourse. This methodology allowed to confront central government priorities with the reality of poverty and social exclusion, as experienced and perceived by both Huechuraba's residents and the social practitioners implementing the policies. The fieldwork was carried out between December 1997 and June 1998.

#### The Micro-Study of the Residents of Huechuraba

The study of the residents of Huechuraba took place between December 1997 and May 1998. The research included an area survey, a small household survey, and qualitative interviews.

**Area survey.** The micro-study started with a *comuna* survey. Like traditional 'community surveys', it aimed at identifying the characteristics of the area. Given the complex and multidimensional questions raised by a social exclusion perspective, this entailed going beyond the usual area profile used in poverty assessments. It also required a review of secondary resources and an extensive use of key informant interviews: 25 key informant interviews were conducted in December 1997 (13 municipal agents including managers of programs, departments and one administrator; five agents involved in service provision; five social leaders of community-based organizations; two NGO representatives; and one resident who had lived in a poor sector of the *comuna* for the last thirty years).

**The household survey.** The survey was based on a stratified random sample of 88 households living in Huechuraba. Given the spatial heterogeneity of the *comuna*, the stratified sample was used to ensure the adequate representation of all neighborhood units and *campamentos* (informal settlements). However, given the focus of the study on social disadvantage, the most well-off area of the *comuna* was excluded from the survey. Regarding respondents, the female head of household or the female partner of the male

## Box 2 (continued)

identified as the head of household was chosen for the interviews. If the head of household was a male living by himself or with children, then he was the respondent. Despite the preference for female respondents for practical and methodological reasons, the research also saw the importance of including male respondents in order to elicit differences in the experience of social disadvantage between men and women. In the end, there were 18 men out of a total of 88 respondents. In terms of content, the questionnaire aimed at getting information on labor market participation and access to social entitlements (social programs, benefits, social services), as well as organizational and relational issues relevant for the social exclusion perspective adopted (e.g., participation in organizations, level of information on social entitlements, reliance on social networks for the provision of care). The questionnaire was divided between questions on the respondent herself, and questions regarding other household members, which aimed at capturing intra-household differences. After completion of the survey, the data was entered and analyzed using the Statistical Package for the Social Sciences (SPSS). Basic frequencies and cross-tabulations helped in selecting interviewees for the sub-sample qualitative interviews.

**Qualitative interviews.** The household survey was followed by a sub-sample of 24 semi-structured interviews. A 25 percent non-random sub-sample of the original questionnaires was selected, ensuring that the sub-sample was as representative as possible of the overall profile found in the household survey. In order to better capture intra-household differences and a wide range of experiences of exclusion, the household head was not always chosen as the interviewee. In order to elicit gender-based differences, a little more than a third of the interviews were conducted with men, and on three occasions the choice was made to interview separately both the male and the female partners within the same household. The semi-structured interviews aimed at exploring subtle visible mechanisms of exclusion such as perceptions of exclusion and/or discrimination on the basis of specific elements of identity (e.g., age, gender, place of residence) and causal relationships suggested by the preliminary results from the quantitative data analysis of the larger household survey. The interviews focused on capturing the personal experience and the perceptions of exclusion/inclusion of the interviewees in areas identified in the survey questionnaire, including, for instance, the job interview process when searching for employment and the perceptions of the quality and accessibility of various social entitlements. Each interview ended with a participatory exercise in the form of a Venn Diagram, which was used to highlight perceptions of social and institutional relationships. Derived from Participatory Rural Appraisal (P.R.A.) methods and based on the drawing of circles, this exercise asks whether there exist different actors or institutions that are relevant to participants in terms of their capacity to help and/or care for them in times of trouble. It also allows inquiring into the perceived caring and helping capacity of these actors and institutions.

#### Focus groups and interviews with public agents

The key criterion for the selection of public agents was to obtain the insights of agents located at different stages of the policy process, from the level of local implementation and practice to the level of central policy formulation and agenda setting. On this basis, the choice was made to select professionals within the municipality of Huechuraba as well as central government officials. The research used different qualitative techniques for the two types of agents. The interviews were conducted in June 1998.

**Local government staff.** The Huechuraba municipality was similar to other local government structures in that the unit for 'community Development' DIDECO (*Dirección para el Desarrollo Comunitario*) was responsible for social development and poverty reduction. Therefore, most of the agents interviewed were located there. Since the micro-study had already provided an opportunity to interview middle managers and social planners, only three local officials were selected and the focus was

## Box 2 (continued)

placed on agents located at lower hierarchical echelons of the municipality, i.e., social workers and welfare assistants (*técnico-sociales*) for the welfare (*Atención Social*) and housing sub-units. This choice was made mainly for two reasons: a) the positions of the agents placed them in direct contact with disadvantaged residents; and b) the agents occupy a key place in the minds of disadvantaged residents, as identified by the micro-study. In terms of techniques, focus groups (four in total) were used for social workers, welfare assistants and CAS surveyors since they were sufficiently numerous and homogeneous in their educational level and the tasks they performed. Additionally, four semi-structured interviews were used for local managers located at a higher hierarchical level.

**Central government staff.** There were two key criteria for the selection of these agents. First, senior civil servants had to be closely involved in the process of policy formulation and agenda-setting, and also directly involved with the government's anti-poverty strategy. Second, the position of the civil servants needed to allow them to discuss different aspects of the government's anti-poverty strategy, from overall orientations and priorities to social policy methods and planning. Nine policy advisors and planners located at the Ministries of Finance, Planning, Labor (Institute of Vocational training SENCE), Women and the Secretariat of the Presidency were selected. Semi-structured interviews were used.

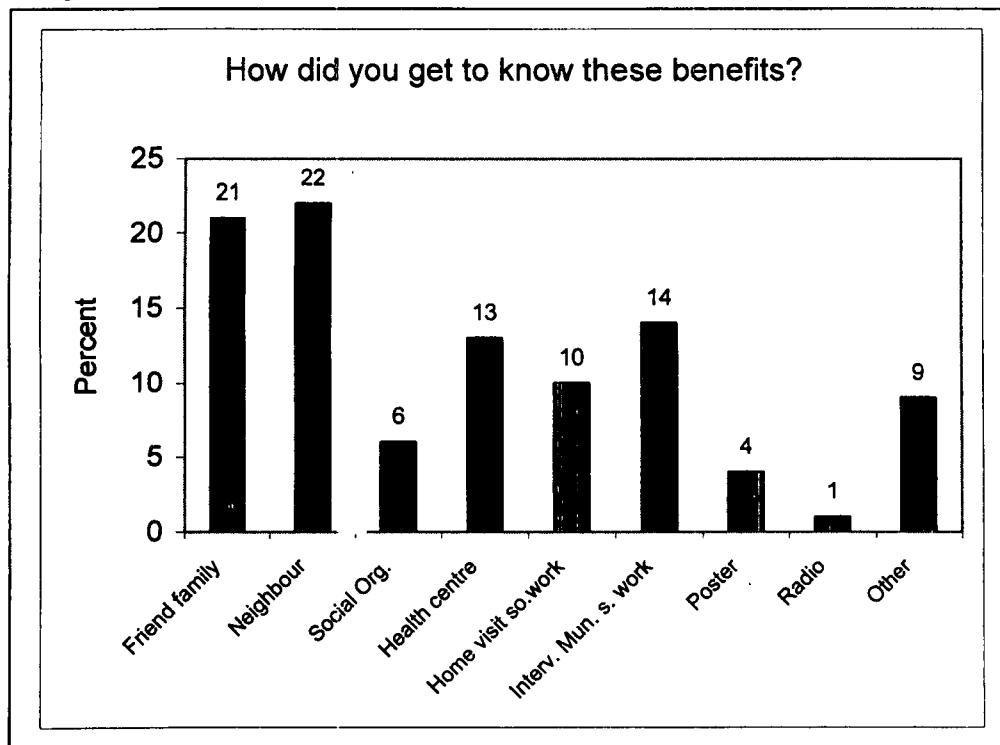
### The View from the Households

Clert's micro-study showed that exclusion from safety nets and other social entitlements strongly relates to lack of access to information. Three key findings emerged from the household quantitative survey as to the degree of information on social entitlements among household heads or spouses living in the *comuna* of Huechuraba. First, on average, the proportion of respondents who declared not having heard at all of the social entitlement under review was relatively high, at 51 percent of the sample. Second, this proportion varied depending on the kind of social entitlements. It reached 74 percent for benefits such as municipal programs in health and education which provide safety nets (e.g., free provision of medicine or material help for the buying of the school uniform). It was also high for the main national program against poverty among women-headed households, since 70 percent of the female respondents had not heard of the program at all. The awareness rates were better for social funds (which tend to be promoted through radio and TV), and vocational training classes which have been for long a priority of both central and local governments. However, even when the respondents had heard of the social entitlements, a large share did not know how to apply to these benefits. For instance, among the respondents who knew about the existence of vocational training courses, half did not know how to apply for these courses. Given the fact that the survey was carried in a poor neighborhood whose inhabitants are primary targets for the government's programs, this lack of information is probably detrimental to the success of the programs.

One way to analyze the causes of the poor transmission of information to the programs' potential beneficiaries is to look at the ways 'informed' respondents gained their knowledge. Taking the example of the government's income transfers (*subsídios monetarios*), Figure 1 points to four ways in which information was obtained by households on these programs. The most frequent sources of information were close contacts such as friends, family and neighbors (43 percent of the total number of informed respondents). More official actors such as municipal social workers or health centers rank second, contributing to 37 percent of the informed respondents. Among these more official sources of information, the impact of direct visits to the home of respondent

by a social workers was large. Social organizations such as neighborhood associations were at the source of information on government programs in only 6 percent of the cases. Finally, more distant modes of information such as posters or radio announcements accounted for only 5 percent of the informed respondents.

**Figure 1: Sources of Information on Income Transfers Among Poor Households**



*Note:* The state income transfers consist of SUF, SUM, SRN, SAP, and PASIS

*Source:* Households Survey in Clert (2000a, 2000b). Share of respondents

These findings suggests that three main causes may be at the source of the lack of information about social entitlements among the poor. First, the isolation of some among the poor from social networks (e.g., family and neighbors) may reduce access to information. Second, the lack or irregularity of visits to the municipal centers of information by the poor may also reduce their exposure to information. Third, the fact that only a minority of households benefit from spontaneous home visits by social worker also reduces the likelihood of being informed (many of these visits are organized during *barridos* which are general 'sweeps' of an area). Although statistics such as those provided in Figure 1 cannot claim conclusive causal links, they do raised concerns about the mobility of public actors such as social workers who need to be in close contact with those among the poor who experience social isolation and disadvantage the most. Focus group discussions with practitioners from Huechuraba confirmed the concern regarding the lack of mobility and outreach among social workers. The social workers and *técnico-sociales* called themselves for more mobile initiatives (such as the *barridos*) in order to better identify existing needs rather than solely responding to demands from applicants coming to the municipality. As a social worker summed it up: "We need more people on the ground,

*accompanying processes. Before the integration of people into social programs, you need to make an assessment of who might need these programs. This is the opposite of what we're doing now in most cases, which is to wait for the demand to come and help people benefit from the program."*

Another important finding of the study was that the rejection of the respondents' applications for different social entitlements was directly linked to them obtaining an inadequate number of points on the means-testing instrument *ficha CAS*. This was reported by a majority of unsuccessful respondents who had applied for one or more of the following social entitlements: the gratuity card (also named *tarjeta de indigencia*) which allows free access to public health facilities, the income transfers, the low-cost housing (mainly *vivienda básica*) and the access to public childcare centers (mainly through the JUNJI).<sup>99</sup> The emphasis of the *ficha CAS* on material possessions may overlook the risks which households can be faced with and which can make them vulnerable. The examples of Maria and Margarita can make this clear.

- Maria, who was 52 at the time of her interview with the CAS surveyor, was without any source of income other than the help of her children. A sudden illness in her spine prevented her from working. Separated from her husband, she was unable to obtain a pension from him. She was responsible for her eldest daughter who suffered from a psychiatric illness and for her daughter's child. She applied for a small pension, but the points she scored on the *ficha CAS* at the screening test were found to be too high, as she recalls: *"They came to see me, she asked me if I had a washing machine –yes I do I said to her, 'do you have a centrifuge machine' - yes I do, 'refrigerator', – yes I do, 'Right Madam', she said, 'you don't have any right to a pension'."*
- Margarita recalled that her daughter was hospitalized and that she needed the indigence card since she could not afford the cost of the medical attention. Her daughter's illness had coincided with Margarita's loss of her job, and she had been unemployed for two months at the time of the visit of the CAS surveyor. She explains: *"When she came here, she found me better than I am now.... In those years and because I had been working, I had my floor impeccable. Inclusively I wasn't polishing the floor with wax but with brown shoe product. So it looked really shiny.... She was looking everywhere and so she told me, just like that: how could I buy floor wax if I didn't have money to cook and to meet my expenses. I told her it was illogical, since it was two months that I was out of work, but when I was working, I had bought the wax. And my little plants, my little things... With time, I had been buying them and so now that I was in need, without a job, I wasn't going to take out a piece of the table, or a bit of the armchair. This, she didn't understand.... I told her: 'You mix up poverty with cleanliness. I'm poor I said, maybe I don't have a lot to put into the casserole. Yet I have a rag, I said, and I still have something to clean."*

These examples show that both applicants were unable to generate any income, so that they were becoming highly vulnerable, one through her illness and the other through the loss of her job. While their life events justified external support to prevent them from falling further into poverty, the rules of targeting excluded them from such support because a presumption of well-being was

<sup>99</sup> From a gender perspective, exclusion from public childcare centers constitutes a contradiction between the priority assigned to female labor-market insertion and the use of exclusionary rules of selection by the Public Institution for Childcare in Chile (JUNJI). At the national level, SERNAM has managed to remove the exclusionary rule for women heads of households, but the new rules have not yet filtered to the local level. Furthermore, it seems that the rule still applies to women who were not household heads.

based on their possession of a number of assets. Margarita's reasoning suggests a logic for the granting of government support which contrasts with the more rigid criteria of the *ficha* CAS instrument.

### The View From Social Workers and Welfare Assistants

Drawing on interviews and focus-group discussions with local staff, Clert (2000a, 2000b) also analyzed the experiences and perceptions of municipal professionals in direct contact with disadvantaged citizens. The social workers and welfare assistants (*técnico-sociales*<sup>100</sup>) who use the means-testing instrument provided by the *ficha* CAS in their daily work mention their frustration with the rigidity of the eligibility criteria associated with the *ficha* CAS. Following on site visits and in-depth interviews with residents, they would at times conclude that assistance was needed without being able to offer it because of the results of the CAS point system. As one social worker put it: *"social reality is much more dynamic, changing and complex than the criteria."* Or as a *técnico-social* reflected: *"Criteria are designed for extreme situations, but in practice most situations are not as extreme... The CAS surveyor might tell us the lady earns 100,000 pesos. Right, but she must pay for rent, water, electricity and food. This will never be enough for four people!"*

Local level staff stressed in focus groups the need for less focus on material possessions such as a color TV, the type of roof materials and the like. Questions relating to possessions were seen as outdated, given *'the overall development of the country'* and *'people's easy access to goods such as a refrigerator... through credit facilities'*. Another argument was that possessions deflected attention from the central issue of the applicant's means of livelihood. A *'more relevant way to assess poverty'*, would be *'to ask if and how people manage to make ends meet'*. *Técnico-sociales* also mentioned that low-income sectors often improve the quality of their house and equipment by low-cost, self-help means. Therefore, such improvements do not necessarily reflect an increase in income or security. Rather, they reflect people's desire to *'have a better life'* and to gain greater dignity. *Técnico-sociales* also noted that rigid criteria could end up making people more vulnerable to destitution and long-term insecurity. By denying state financial support, the emphasis on enumerating possessions in targeting indirectly left people with no other option than to sell their assets *'in order to survive'*. Finally, local staff made a number of suggestions for improving the targeting system of the *ficha* CAS:

- *Indicators of vulnerability:* Professionals suggested to pay greater attention to vulnerability indicators so as not to exclude people who are in need of assistance even though they may appear to be non-poor on a assets basis. As one professional put it: *'surveyors ask how much do you make a month? They don't ask what kind of job people do, what kind of contract they have, if they have one'*. The recommendation from social workers would be to pay more attention to labor market exclusion.
- *Private transfers:* Local staff pointed to the dangers associated with the way the CAS form takes into account private transfers (e.g., from relatives and friends) registered under the category *'ayuda de terceros'*. CAS surveyors must translated private transfers, whether in kind or in cash, into an average monthly income. Imposed by MIDEPLAN rules and long before by the former military regime, this obligation originates in the assumption that benefit claimants tend to lie about their actual sources of livelihood. While local staff

<sup>100</sup> The 'social technicians' are welfare assistants who, unlike social workers, do not have a university degree.



recognized that this could be true for a certain proportion of claimants, they also warned against hasty generalizations. They suggested that such rules ended up distorting the reality and reliability of people's survival strategies and needs. As one worker put it:

*"Why can't they believe that some people don't have any money to live? You often find an older woman who tells you "señorita, ...I don't do any pololitos"<sup>101</sup>, I've got nothing". So, the surveyor asks "but what do you live on then señora"? So she says "my son brings me a kilo of rice..., my neighbor offers me a kilo of sugar and pieces of bread". The surveyor transforms all this into money and her points increase. But then, the señora explains "because I'm on my own, if the neighbor gives me three pieces of bread, I eat half of it at lunch time because sometimes I get nothing else to eat. Then I eat the other half, I still keep some for the day after and sometimes I eat bread that is two days old". It's real, people have told me this and I've been able to observe it so often in my site visits.... But sometimes the surveyor only heard "look, the neighbor offers me two pieces of bread a day!"*"

Such experiences lead some *técnico-sociales* to push for reflecting as faithfully as possible the applicants' own words in this area and for avoiding mechanical assumptions for the valuation of private transfers.

- *Intra-household allocations:* A third area of reform suggested by professionals was the need for CAS means-testing methods to recognize intra-household allocations. This is particularly important from a gender perspective, and it can be illustrated with a reference to pregnant teenagers. Classified as dependants, they end up being excluded from maternity benefits. Unable to afford a place of their own, these future single mothers are assumed to benefit from their parents' support but as a *técnico-social* put it:

*"We're talking about a pregnant kid who needs a bit of support here...! Fair enough, her parents might help her a bit, somehow, sometimes. But sometimes parents also reject them, tell them off... So the girls come to the municipality for help but there's no support there either..."*

The assumption of the parents' support is all the more worrying in the Chilean context as many studies have pointed to the strong stigmatization attached to teenage pregnancy (Latorre et al, 1996).

- *Training of surveyors:* Fourth and lastly, the professionals raised the need for better training of the surveyors themselves and for a better sensitization to the issues outlined above.

### **The Changes Introduced in September 1999: Achievements and Persisting Challenges**

In 1999, there was an official recognition of some of the limitations of the targeting system of CAS, with particular emphasis on the outdated character of variables such as the presence of a television and the like. The MIDEPLAN (1999) report on the modernization of the CAS system clearly stated that "in the last 13 years, the current (CAS) Model had lost most of its ability to identify eligible population among the poor across the socio-economic spectrum". Based on mathematic simulation models, the Government introduced three key changes to the CAS system. First, the revised CAS system dropped the questions of electricity access (under the housing

<sup>101</sup> *Pololito* is a colloquial name for casual work or temporary job.

factor) and of TV access (under material assets or *patrimonio*), which are no longer considered to reflect poverty since an increasing number of households have access to those goods. Second, different systems for rural and urban areas were eliminated and merged into a single, national assessment. Third, it introduced a revised system of weights and scaling of the various factors. In the new model and as illustrated in Table 2 below, the weights for housing increased despite the elimination of electricity access. In the newly created factor Income-Assets (*Ingreso familiar/Patrimonio*), the weight Income sub-factor lowers while the overall equipment/material assets increases. The weights for the factors education (years of schooling) and occupation of the head of dwelling unit remain overall the same.

**Table 2. Relative Weights of Each Variable in the revised CAS SYSTEM**

Factor	Variables	Original Model		Revised Model
		Urban	Rural	National
Housing	Wall	3.92%	4.01%	3.64%
	Floor	1.96%	2.00%	3.64%
	Roof	3.92%	4.01%	3.12%
	Crowding	2.44%	2.50%	5.72%
	Water	3.67%	3.76%	3.46%
	Sanitation	4.89%	5.01%	2.96%
	Tub-shower	1.22%	1.25%	3.46%
	Electricity	2.44%	2.50%	-
	Total, housing	24.46	25.04	26.00
Education	Education, HH head	8.96%	20.33%	25.00%
Occupation	Highest Job Status of Couple	22.12%	24.94%	22.00%
Income	Per capita family income	24.58%	25.04%	11.61%
Assets	House and Lot (owned)	15.87%	3.70%	3.51%
	TV	1.35%	0.31%	-
	Refrigerator	1.31%	0.30%	5.94%
	Water Heater	1.31%	0.30%	5.94%
Total		100.00	100.00	100.00

Source: MIDEPLAN (1999:39).

The elimination of TV access and electricity access certainly are achievements towards a better targeting performance. Trials of the new system indicate that the revised system it is more effective in identifying the poor, and the non-poor, and therefore preventing errors of inclusion of the non-poor in social programs. For instance, MIDEPLAN (1999: 36) reported that in the revised system, 53.1 % of families would see their level of points lowered i.e. become classified as "poorer" while 46.9% would see theirs increase. In terms of implications for access to benefits, the proportion of families with a total number of points lower than 550, that is those families entitled to the benefits described in section I above, increases from 22% (908,223) in the old model to 26.6% (1,096,973) in the revised model.

Nevertheless, concerns can also be raised. While errors of inclusion may be diminished, errors of exclusion of poor and vulnerable households could still occur. On the revised quantitative model in particular, it is noteworthy that key indicators of need and vulnerability are still not incorporated into the CAS system, such as issues of intra-household allocations;<sup>102</sup> precariousness

<sup>102</sup> The occupation factor remains the occupation of the head of the dwelling unit.

of the type of occupation;<sup>103</sup> degree of indebtedness; and illness. Private transfers, whether in cash or in kind, even if minimal, are still registered under the category '*ayuda de terceros*' and translated into an average monthly income. Finally, findings from the Huechuraba study and interviewees with practitioners suggested that possible errors of exclusion should be measured not only quantitatively but also qualitatively. However, the methods used have been exclusively quantitative mathematic simulation models.

### The Impact of Additional Eligibility Criteria: Housing and Child Care

Despite significant achievements, some additional rules used for determining eligibility to social services also have exclusionary effects. In the eligibility rules used by the Ministry of Housing SERVIU for its own programs, the information provided by the *ficha* CAS is only one element among others. Specifically, applicants with an adequate number of CAS points cannot be eligible if they do not meet required level of savings (Table 1). Affordability, therefore, is a key obstacle. As one worker put it for the program of basic housing (*vivienda básica*): '*This programme is frustrating...It's supposed to be targeted at the poorest yet people with no saving capacity can't have access to it.*'

The difficulties encountered by households for benefiting from public housing programs can also be illustrated with the examples of the so-called *allegados*. These are self-help organizations in which people collectively advocate for public housing and pool their savings towards this end.<sup>104</sup> Group-based housing applications have been encouraged by the post-1990 Chilean democratic governments. But *allegados* are more likely to succeed in getting low-cost houses for their members if they all have the same savings capacity, and apart from being unable to be successful in their own application for the government's housing programs, many tenants can't even save enough to be part of *allegados* committees. In a household interview, the secretary of one *allegados* committee suggested that some *directivas* (rules from the association's board) put pressure to keep out those with precarious or insufficient saving capacities. The selection process of membership deserves to be quoted in detail:

*The secretary:* There is a minimum to get into the scheme. We were around 50, but this was still useless. Either people didn't have the money or they couldn't be reached .... So we started to eliminate people.

*The interviewer:* *How did you select your people then?*

*The secretary:* We started to ask for money, they had to give us a certain amount of money by a certain deadline. We went to every address we had, explained what we were doing .... In the end, we only kept 15 out of the 50. They were those who really had the money and all their papers in order.

*The interviewer:* *How much did they need to be selected?*

*The secretary:* We put a minimum of \$300,000 (i.e., more than four times the minimum wage.)

<sup>103</sup> MIDEPLAN had initially proposed another alternative model for the calculation of CAS, incorporating new variables such as access to health insurance and pensions -as part of the job contract -under the occupation factor. However, incorporating new variables would have required to apply the CAS survey again and these administrative and financial costs were considered too high at the time (MIDEPLAN, 1999).

<sup>104</sup> The term refers to a housing status in which the *allegado* is allowed by the person who officially owns or rents the house to live under the same roof without paying a rent, although they sometimes share bills and other costs.

The inability to save is particularly widespread among the low-income elderly because they are no longer able to generate new income. This makes it difficult for them to receive help for the improvement of the quality of their homes, which in turn makes them more vulnerable to health risks (e.g. exposure to the cold and deficient sanitary services) and social risks (exposure to theft and aggression). To some extent, the rules used for access to housing programs also exclude women. Although women heads of households are usually given an additional 10 points in their application for social housing, the women who were previously married and whose ex-husbands own a house are not entitled to apply for social housing because the government benefit is only given once and to the family rather than to the individual.

Another example of exclusionary rules can be observed with regards to childcare. Apart from having the adequate number of points in the CAS index, the mother of the child must show proof of employment and associated working hours. This criteria tends to exclude three categories of women: teenage mothers who wished they could complete their schooling instead of entering the labor market; women involved in precarious employment with irregular working hours such as cleaners or domestic workers; and most of all, female job-seekers whose mobility ends up being considerably restricted.<sup>105</sup>

### Conclusion and Policy Implications

The quantitative evaluation of the targeting performance of the government programs whose eligibility rules are based on the scoring system of the *ficha* CAS suggests that the scoring system is effective in identifying the poor and in helping to maximize the redistributive impact of state-funded pension assistance, family allowances, water subsidies, housing subsidies, and childcare programs. While some programs are better targeted than others, all programs are rather successful at channeling resources to the poor and very poor. This does not mean, however, that the *ficha* CAS system does not have some weaknesses. Several of these weaknesses have been revealed by the qualitative evaluation. In this conclusion, we would like to highlight a few recommendations for improving Chile's targeting system.

In order to improve the impact of the government's income transfers and social programs, it may be necessary for government agents to get closer to the poor. Two suggestions can be provided. First, it may be useful to implement a more effective communication strategy since it appears that the poor still lack access to the relevant information about the various programs. Many poor households do not know about the existence of the programs, and among the households who are aware of the programs, many do not know how to apply for benefits. Second, it may be useful to encourage more contacts between the poor and social workers. Beyond the reception of applications at the municipal welfare office, initiatives such as the "sweeping" of areas could be encouraged, so as to reach those among the poor who have weak connections to municipal institutions. Better contacts between social workers and the poor may also help if social workers are given some latitude to depart from the strict scoring system of the *ficha* CAS in order to respond to situations of vulnerability which are not well measured by the simple possession of assets.

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<sup>105</sup> Women involved in illegal activities —mainly prostitution— are also systematically excluded and therefore miss any chances of reinsertion opportunities through the possibility for instance, to attend training courses.

Related to this last point about vulnerability, more emphasis could be placed in the *ficha* CAS system on the prevention as opposed to the alleviation of poverty. Targeting rules for centrally financed income transfers and other social programs could be revised so as to prevent the fall of vulnerable people into a vicious circle of loss. This is especially important in a context of high unemployment rates which tends to provoke brutal changes in the lives of the poor. The means-testing approach of the *ficha* CAS may lead to the exclusion of households in need of assistance when the CAS criteria fail to adequately measure the dynamic and complex reality of deprivation. The emphasis on material possessions could be reduced in the CAS in order to make place for indicators such as the loss of a job or a sudden illness.

Another finding from the qualitative research refers to the need to adapt eligibility rules in order to better take into account intra-household allocation patterns. Paying attention to individual needs in the household also cuts across the variable of age. This was illustrated by the difficulty for pregnant teenagers to gain access to maternal benefits when they live in larger households. The potential for gender discrimination also exists in the access rules to means-tested housing and child care. Another group which may not be covered well enough is the low income elderly, especially when informal private transfers are taken into account by CAS surveyors in order to determine eligibility for pension assistance.

Finally, from a methodological point of view, this paper has illustrated the benefits of going beyond quantitative assessments for the evaluation of targeting instruments. On the basis of quantitative simulation models,<sup>106</sup> the Chilean government recently introduced some modifications to the *ficha* CAS, including a lesser emphasis on possessions. But the system still has limits which tend to be overlooked by government officials. One more recommendation emerging from this paper would be to collect in a systematic and periodic way the views and opinions not only of the local staff who actually implement means-testing on the basis of the CAS form, but also of poor and/or vulnerable households themselves.

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<sup>106</sup> MIDEPLAN (1999).

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**APPENDIX 1: DESCRIPTION OF SOME OF THE MAIN PROGRAMS TARGETED ACCORDING TO THE FICHA CAS**

<b>BENEFIT</b>	<b>Nature</b> (amounts in Chilean pesos relate to the year 1998 and are monthly amounts)	<b>Who can apply?</b>	<b>Eligibility criteria</b>
<b>FOR ALL BENEFITS AND PROGRAMS BELOW</b>			<ul style="list-style-type: none"> <li>- The common eligibility criteria is to show evidence of lack financial resources, according to the evaluation made through the means-testing survey with the <i>ficha</i> CAS</li> <li>- be a resident of the <i>comuna</i> (borough) responsible for the selection of beneficiaries</li> </ul>
<b>PASIS</b> <b>Pensión Asistencial</b> Pensions for the elderly and for the disabled			
- Pensión de Ancianidad (pension for the elderly)	<ul style="list-style-type: none"> <li>- minimal amount: \$23,415</li> <li>- automatically entitles the elderly with a card allowing free access to public health services (<i>tarjeta de gratuidad médica</i>)</li> <li>- the pension can no longer be provided if the beneficiary situation stops meeting the criteria. This is usually evaluated following the visit by a <i>ficha</i> CAS surveyor.</li> </ul>	Low-income elderly people over 65 years of age	<ul style="list-style-type: none"> <li>- be older than 65 years at the time of the survey with the <i>ficha</i> CAS</li> <li>- lack of access to any other social insurance including pensions</li> <li>- total income inferior to 50% of the minimal pension amount (aprox. 23,415)</li> </ul>
- Pensión de Invalidez (Invalidity)	<ul style="list-style-type: none"> <li>- the benefit has a duration of 3 years and can be renovated, provided that the requisites are still met (mainly number of points with the <i>ficha</i> CAS)</li> <li>- - automatically entitles the elderly with a card allowing free access to public health services</li> </ul>	Physically disabled people ( <i>personas inválidas</i> ), older than 18 years of age - No access to other pensions or other forms of social protection mechanisms ( <i>sin previsión social</i> )	- the total income of the applicant <i>and</i> of his family group (comprising all other members of the dwelling unit) cannot be superior to the minimal pension
- Pensión de Invalidez para Deficientes Mentales	Same as above	Same as above, except the following characteristics: - mentally disabled people - no age requirement	Same as above
<b>SUF Subsidio Unico Familiar</b> (family allowances)			
- <i>al Menor</i> (child benefit)	<ul style="list-style-type: none"> <li>- child benefit</li> <li>- amount: \$2500</li> <li>- duration: 3 years- can be renewed</li> </ul>	All dependent children, under 15 years of age or studying children under 18	<ul style="list-style-type: none"> <li>- for children under 6, health control must be up to date</li> <li>- for children older than 6, must be enrolled in primary education (<i>Educación Básica</i>)</li> <li>- the child cannot perceive an income equal or superior to the amount of the benefit</li> </ul>
<i>a la Madre</i> (maternal benefit)		Mothers of the children selected for the <i>subsidio al menor</i>	- the father of the child cannot receive family allowances from other sources (e.g. through his employer)
- <i>Maternal</i>	<ul style="list-style-type: none"> <li>- maternal benefit</li> <li>- amount: 2800 received ten times .</li> </ul>	Pregnant women. To be allowed from their fifth month of pregnancy	- the father of the child cannot receive family allowances from other sources (e.g. through his employer)
- <i>Recién Nacido</i>	- child monthly benefit of 2800 pesos – lasts for three	Mothers who benefit from the <i>subsidio</i>	

	years from the birth of the child	maternal and who do not have access to other forms of social protection ( <i>sin previsión social</i> )	
<b>Subsidio de agua potable</b>	<ul style="list-style-type: none"> <li>- state contribution to the consumption/use of drinkable water and water sewerage (<i>alcantarillado</i>)</li> <li>- This contribution finances half of the consumption of water up to a maximum of 15 m<sup>3</sup></li> </ul>	Low income families facing difficulties to pay for water services	- be up to date with the payment of water and sewerage services
<b>Housing programs<sup>107</sup></b>			
<i>Vivienda Progresiva I Etapa</i>	Subsidy of 132 UF for the construction of housing. The program <i>vivienda progresiva</i> has two stages. Stage I ( <i>etapa I</i> ) comprises, as a minimum, of an urbanized site and a sanitary unit (bath/kitchen) total value: 140UF. The applicant's contribution will be 8 UF, of which 3 UF are necessary as a requisite for the application.	<ul style="list-style-type: none"> <li>-families facing emergency situation in terms of their housing or simply lacking adequate housing of housing - &amp; particularly (but not necessarily) applies to families living under free-rent arrangements (<i>allegados</i>)</li> <li>- elderly people who are not owners of or assigned with a <i>vivienda</i>, and who did not previously receive a housing subsidy.</li> </ul>	<ul style="list-style-type: none"> <li>- All those who are registered and who meet the criteria will enter the selection process according to the strict order of 'points' obtained in the specific survey conducted with <i>ficha CAS</i></li> <li>- The applicant must have saved the equivalent of 3 UF.</li> <li>- group-based applications are encouraged</li> </ul>
<i>Vivienda Progresiva II Etapa</i>	- 2d stage of the program above improvement of the housing unit		- specific and complex criteria – see MIDEPLAN (1998:21)
<i>Vivienda Básica</i> (basic housing)	<ul style="list-style-type: none"> <li>- construction of solid housing unit (can include i) one-floor house; ii) two-floor houses; and iii) apartment in a three-floor building block.</li> <li>- Total value is 240 UF and the financment is arranged as follows:</li> <li>- applicant's savings (10 UF- see eligibility criteria)</li> <li>- 140 UF state subsidy (in monthly dividends throughout 12 years)</li> <li>- and the remaining through the applicant's own contribution (monthly dividends)</li> </ul>	Low-income households willing to have access to housing in a definite manner ( <i>en forma definitiva</i> )	<ul style="list-style-type: none"> <li>- All those who are registered and who meet the criteria will enter the selection process according to the strict order of 'points' obtained in the specific survey conducted with <i>ficha CAS</i></li> <li>- the applicant must have saved the equivalent of at least 5 UF in order to be able to enter the process of selection. By the time the housing is available for delivery, the applicant must show evidence of the same amount of savings.</li> </ul>
<b>Childcare programs</b>			
<i>Programs JUNJI, INTEGRA</i>	Integral care of the child in childcare centers (includes health, food provision, social welfare – <i>atención social</i> - and dental-medical attention)	- for children between 84 days and a years and 11 months ( children under five)	<ul style="list-style-type: none"> <li>- in addition to <i>ficha CAS</i>, there is a 'social report' evidencing lack of resources.</li> <li>- mother must be working , with certificate certifying the mother's working situation, her income, working hours and type of activity.</li> </ul>

<sup>107</sup> Other centrally financed housing programs include the rural housing subsidy (*Subsidio Habitacional Rural*).



## APPENDIX 2. CAS FORM AT THE TIME OF THE QUALITATIVE FIELDWORK (DECEMBER 1997)- ENCUESTA CAS

### SISTEMA DE INFORMACIÓN SOCIAL

#### SECCION 0: DATOS GENERALES

<u>Región Metropolitana</u>	1	1	3	<u>Comuna Huecharaba</u>	3	0	4	4
<u>Provincia</u>		2	1	<u>Unidad Vecinal</u>	5			1 Urbana 2 Rural

Folio No
Fecha de Encuesta <span style="float: right;">_____ dia/mes/año</span>

<u>Nombre del Campamento, Población o Villa</u>	Código	Manzana	Cod. Calle	Nombre de la Calle o Camino	Numero	Block/Casa	Depto/Sitio
Sector			Cod. Calle	Nombre de la Calle, Camino o Carretera	Numero		Aceratona

Encuesta: \_\_\_\_\_  
 Revisor: \_\_\_\_\_  
 Supervisor: \_\_\_\_\_

#### SECCION 1: PROTECCIÓN AMBIENTAL

##### MATERIALES USADOS EN MUROS EXTERIORES DE LA VIVIENDA

1. Ladrillo, concreto o bloque
2. Albañilería de Piedra
3. Tabique forrado
4. Adobe
5. Mixto aceptable (combinación de material pero alguno de tipo 1 a 4)
6. Barro, quinona, pirca
7. Tabique en forro interior
8. Desecho (cartón, latas, sacos, etc)
9. Mixto deficiente (combinación de materiales pero ninguno de tipo 1 a 4)

##### MATERIAL UTILIZADO EN EL PISO DE LA VIVIENDA

1. Radier revisto (radier cubierto con parque, tabla, linóleo, flexit, baldosa, alfombra, etc)
2. Radier no revisto (radier a la vista)
3. Mixto aceptable (combinación de materiales, pero alguno de tipo 1 a 4)
4. Madera colocada sobre solera o vigas
5. Madera, plástico o posteriores colocados directamente sobre la tierra
6. Piso de tierra
7. Mixto deficiente (combinación de materiales, pero ninguno de tipo 1 o 2)

##### MATERIAL UTILIZADO EN EL TECHO DE LA VIVIENDA

1. Teja, tejuela, losa, piedra
2. Zinc o pizarreño con cielo interior
3. Mixto aceptable (combinación de materiales, pero alguno de tipo 1 o 2)
4. Zinc o pizarreño, sin cielo interior
5. Fonolita
6. Paja, coirón, totora, caña
7. Desecho (cartón, latas, sacos)
8. Mixto deficiente (combinación de materiales, pero ninguno de tipo 1 o 2)

#### SECCION 2: HACIMIENTO

##### 22 PIEZAS OCUPADAS DE LA VIVIENDA

Dormitorios \_\_\_\_\_  
 Estar (living) \_\_\_\_\_  
 Comedor \_\_\_\_\_  
 Estar - Comedor \_\_\_\_\_  
 Cocina (sólo si es utilizada  
 Como estar o comedor \_\_\_\_\_  
 Total de Piezas \_\_\_\_\_

### SECCION 3: SANEAMIENTO Y CONFORT

#### TIPO DE ABASTECIMIENTO DE AGUAS DE LA VIVIENDA

El agua proviene de red pública de agua potable

1. Con llave dentro de la vivienda
2. Con llave dentro del sitio fuera de la vivienda
3. De llave de pilón o grifo ubicado fuera del sitio

El agua no proviene de red pública de agua potable

4. Con llave dentro de la vivienda
5. Con llave dentro del sitio, pero fuera de la vivienda
6. Por acarreo

#### SISTEMA DE ELIMINACIÓN DE EXCRETAS DE LA VIVIENDA

De uso exclusivo (No comparte con otras viviendas)

1. W.C. conectado a alcantarillado
2. W.C. conectado a fosa séptica
3. Letrina sanitaria
4. Pozo negro

De uso compartido (con otras viviendas)

5. W.C. conectado a alcantarrilla
6. W.C. conectado a losa séptica
7. Letrina sanitaria
8. Pozo negro
9. No tiene (eliminación a campo libre)

#### DISPONIBILIDAD DE TINA O DUCHA

De uso exclusivo (no comparte con otras viviendas)

1. Tina o ducha, con agua caliente
2. Tina o ducha, sin agua caliente

De uso compartido (con otras viviendas)

3. Tina o ducha, con agua caliente
4. Tina o ducha, sin agua caliente
5. No tiene

#### SUMINISTRO ELECTRICO DE LA VIVIENDA

La vivienda dispone de electricidad

1. Con medidor particular
2. Con medidor compartido (con otras viviendas)
3. Sin medidor
4. La vivienda no dispone de electricidad

**DECLARACIÓN:** Declaro que los datos proporcionados son Legítimos y asumo la responsabilidad por ello.

FAM 1 \_\_\_\_\_ ( )  
FAM 2 \_\_\_\_\_ ( )  
FAM 3 \_\_\_\_\_ ( )  
FAM 4 \_\_\_\_\_ ( )

SECCION 4: IDENTIFICACION DE LOS RESIDENTES (Todos)											SEC. 5: OCUP. ING. Todos los de 14 años y mas				SEC 6 SUB	SEC 7 EDU		
No de orden	Jefes de Familia	Apellido Paterno	Apellido Materno	Primer Nombre	RUT – RUN o Cedula de Identidad con digito verificador	Fecha de Nacimiento Día/Mes/Año	Sexo	Relación de Parentesco	Familias	Hogares	Parejas	Categoría Ocupacional	Monto de Ingresos (en pesos)	Periodicidad Ingreso	Permanencia trabajo	Ingresos secundarios	Subsidios monetarios (Todos)	Años de estudio aprobados
1																		
2																		
3																		
4																		
5																		

## SECCION 8: PATRIMONIO JEFE DE FAMILIA Y/O SU PAREJA

FAMILIA No.

Registre en esta columna los números que usó para identificar a las familias que habitan en vivienda. Si en la vivienda viven mas de cuatro familias use una segunda ficha de encuesta.

Para cada familia que habita en la vivienda indique la situación bajo la cual ocupa el sitio.

1. Sitio propio, sin deudas.
2. Sitio propio, sin deudas atrasadas.
3. Sitio propio, con deudas atrasadas.
4. Arrienda el propietario del sitio sin pagos atrasados.
5. Usan el sitio, pero no creen que pueden ser desalojados en los próximos meses.
6. Usan el sitio, pero si creen que pueden ser desalojados en los próximos 6 meses.

¿La familia tiene algún televisor que funciones?

1. Tiene TV en colores
2. Tiene TV en blanco y negro
3. No tiene TV.

¿La familia tiene refrigerador que funcione?

1. Si tiene refrigerador
2. No tiene refrigerador

¿La familia tiene calefón o termo para calentar el agua?

1. Si tiene calefón o termo
2. No tiene calefón o termo